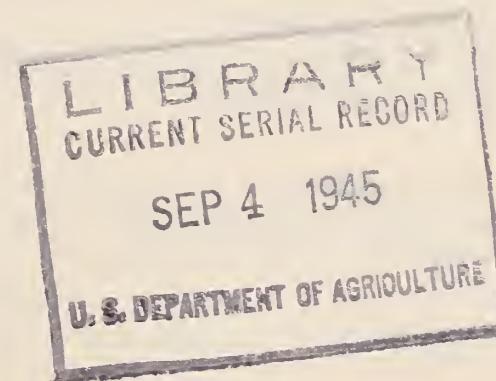


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Marketing Activities



U. S. DEPARTMENT OF AGRICULTURE
Office of Marketing Services

IN THIS ISSUE:

Every year more than a billion pounds of U. S.-grown tobacco are sold at auction. The inspection and market-news services are meant to establish the grade of tobacco and to tell the grower the average price established by sales. The demonstration service is meant to acquaint the grower with the right way to prepare his crop for market. Properly used, these services will do much to keep farmers from selling their tobacco below current market prices and losing money.

CONTINUOUS FACTORY INSPECTION Page 10

Today 74 U. S. processing plants can say that their products are processed under the highest standards of cleanliness, and that a U. S. inspector on hand at the plant has kept an eye on operations from the time the raw material arrived until the finished product was warehoused.

FROM NUISANCE TO IMPORTANT CROP

By G. S. Meloy, Chief, Cotton Linters and Cottonseed Section,
Standards and Futures Division, Cotton and Fiber Branch . . Page 18

In the last three-quarters of a century, cottonseed has come a long way. Today it has many a wartime and peacetime use.

RICE MARKET REPORTS

By George A. Collier, Chief, Marketing Services Division, Grain Products Branch Page 23

Nowadays the rice grower knows more about what his crop is worth than he did before 1928.



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Tobacco Marketing Services

Most of the tobacco produced in the United States is sold on the auction or loose-leaf market. Large markets, located in tobacco-producing sections (mainly in the Southeastern States), may have as many as 12 to 15 warehouses where such auctions are held. Inside the warehouses, under skylight-studded roofs, long rows of trays or flat baskets of tobacco are arranged in "hands," made up of 16 to 20 leaves, that may be picked up for ready inspection.

The buyers line up on one side of a row of tobacco; the auctioneer, warehouseman, and other warehouse employees on the other. A few farmers and hangers-on complete the group. Besides the weird, rapid, monotonous, almost unintelligible chant of the auctioneer, not much is said. A quick glance, a wink, or a word from a buyer indicates a bid. The auctioneer picks it up, goes right on, the price increasing by fixed degrees. Under this system more than a billion pounds of tobacco are sold each August-to-April season.

Why Grade Tobacco Before the Sale?

The speed at which tobacco is auctioned--360 lots or more an hour, or 1 lot every 10 seconds--allows warehouse starters and buyers little opportunity to determine the quality and color. Whether quality can be judged accurately in that short a time is questionable. For this reason tobacco grading before sale is very important to the grower.

Light is another important factor in determining tobacco grades. Variations in light on the warehouse floor, in a dark corner, or under an ordinary skylight make accurate determinations difficult and may affect the sales price. Moreover, different lighting conditions are needed for different types of tobacco.

Because of the wide range in prices paid for lots of tobaccos of the same quality, the U. S. Department of Agriculture in 1929 began an inspection and grading service to assist growers in obtaining a fair price for their crops. A market news service also was developed to help in preventing losses in tobacco sales.

The inspection work of the Department includes inspection and grade certification of tobacco sold at auction markets and, upon application, of packed tobacco. Price reports inform growers about current market prices of tobacco on a grade basis.

Prior to 1936 a small fee was charged for inspection. During the years from 1931 to 1935, inspection on a fee basis ranged from 108 million to 191 million pounds.

Under Federal inspection, 2 to 3 inspectors are present in the warehouse before each auction sale, and they are allowed enough time to examine the tobacco thoroughly in a suitable light.

In 1935, Congress passed the Tobacco Inspection Act authorizing the Secretary of Agriculture (1) to establish standards for determining the type, grade, size, condition, or other characteristics of tobacco; (2) to demonstrate official standards; (3) to designate for inspection and market news service, auction markets where tobacco is bought and sold (these are determined by a referendum of the tobacco growers who have sold tobacco at auction on those markets during the preceding marketing season); and (4) to employ or license competent persons as samplers, weighers, or inspectors. In view of the large revenue the Government receives from excise taxes on tobacco products, this service is rendered without charge to the extent of available funds and personnel.

Demonstration Service

The demonstration service acquaints the farmer with the purpose of inspection and market news and shows how they may be used to the grower's advantage. The farmer is shown how to prepare his tobacco for market in the way that will bring the highest price. Demonstrations are given on farms and at farmers meetings. Through the cooperation of departments of vocational education, agricultural teachers are given special training in teaching tobacco marketing in rural high schools. Agricultural colleges, county agents, vocational teachers of agriculture, chambers of commerce, and other civic and farm organizations all cooperate to extend the service.

Under Federal standards tobacco is classified according to classes, the characteristics of which are produced by varieties, soils, climate, and methods of cultivation, harvesting, and curing. These classes are divided into types having certain general characteristics. The types are then broken down into grades or groups of grades.

Group divisions of grades are closely related to the position the leaves occupy on the tobacco plant. Trade and standard terms for the groups may vary with classes of tobacco and sometimes with types of a class.

Six classes of tobacco are grown in the United States: Flue-cured, fire-cured, and air-cured (cigarette, smoking, and chewing types); and cigar filler, cigar binder, and cigar wrapper (cigar types).

Three groups are normally obtained from the flue-cured tobacco plant--lugs (normally lower leaves of plant), cutters (normally middle leaves), and leaf (normally upper leaves). Superior-quality crops may

yield a fourth group known as wrappers, selected from either the leaf or cutter groups. The Old Belt tobacco grown in the Piedmont area produces most of the wrappers in flue-cured tobacco.

Flue-cured tobacco derives its name from the distinctive heating apparatus employed in the curing barns, which consists of fireboxes with large iron flues to give off heat. The fireboxes open on the outside of the building and extend about 6 feet into the building. Usually a barn has two fireboxes.

Terms used to describe quality are: (1) Choice; (2) Fine; (3) Good; (4) Fair; (5) Low; and, in one instance, (6) Common. Each quality of the various groups is divided into colors. Those used in flue-cured tobacco are: Lemon, orange, red, dark red, and green. Symbols indicate the complete description, thus: B2L indicates leaf of Fine quality in lemon color. Provision is made for symbols to describe other characteristics, such as doubtful keeping "order." By consulting the market news reports, the grower can find out what price is being paid for tobacco of any description.

The Federal system of tobacco grading is more comprehensive than private systems because it must describe any tobacco that may be offered for sale, and each grade symbol has a definite meaning known to the general public.

Sorting

Sorting is an important operation in preparing tobacco for market. Its object is to bring together in lots leaves of similar body, quality, color, and size. The leaves are tied into bundles or "hands," and each lot is sold separately. Most flue-cured tobacco is harvested by "priming" or pulling leaves individually. A smaller amount of harvesting is done by cutting the plants.

Tobacco should be in proper "order" for sorting--that is, when it has absorbed enough moisture to make the leaves pliable, so that they can be handled readily and opened without breaking. Sorting should be done under a suitable light to show up any mixture of quality and color. The importance of sorting for all grades of tobacco has been brought to the attention of farmers. Mixed grades normally bring poorer prices. Speculators sometimes buy mixed lots of tobacco, re-sort, and sell them at a profit.

On markets having inspection service, growers may deliver their tobacco to any warehouse of the market chosen. The tobacco in flat baskets is weighed and to each lot is given a warehouse ticket showing the name of the seller, the number of pounds of tobacco in the lot, and other information for identification purposes.

An OMS official inspector examines each basket of tobacco in a good light, writes the Federal grade on the ticket, and signs his initials. Later the name of the buyer, the grade symbol of the buyer, and the selling price of the tobacco is placed on the ticket. The warehouse ticket is thus a certificate of grade and shows type, group, quality, and color.

Usually the farmer cannot spend enough time on warehouse floors to keep himself informed about the value of different grades of tobacco. Although the greater part of the tobacco sold at auction is sold at prices within the normal range for each grade, some lots sell for considerably higher than the normal price range for the grade, and an equal or larger percentage sell at prices one or two qualities lower than the grade. Dissatisfaction produced by such a situation can be eliminated only by consistent inspection service.

The certified grade on the tobacco and the price reports enable the grower to decide whether to accept a bid for his tobacco. If the bid is not in line with the price for that grade quoted in the market news report, the grower may reject the bid and later resell it at a higher price.

Daily and Weekly Price Reports

After a particular lot of tobacco has been sold and the entry has been made on the warehouse books, a coupon showing the Federal grade and price is taken from the warehouse ticket of each basket of tobacco (or in some areas on selected representative markets a market news reporter follows the sale and records on a slip all pertinent information. The coupons (or slips) are forwarded to a central office and sorted according to grade, and the price for each grade is calculated. These prices are issued as daily and weekly price reports.

The reports, available on auction sales floors, tell the farmer the average price at which each grade has been selling. Then he knows the price his tobacco should bring.

Records of sales and resales indicate that when bids are much below the price range per grade, farmers profit by rejecting bids and reselling tobacco. If a bid is within or above the price range per grade, they find it wiser to accept the bid. But to get benefit from the inspection and market news services, farmers must apply the information they receive.

Does inspection and market news service increase the price of tobacco? In general, tobacco grades or qualities which should control values are influenced by soil, climate, cultivation, the stage of maturity at harvesting, skill in curing, and the preparation of the tobacco for market. If lots of tobacco sell within the range for the

grade or higher, it may be said that the tobacco is selling at or above current market values and that this service has not increased the selling price. However, in many cases the grade may draw attention to the quality of a lot that otherwise would be overlooked, with a resulting increase in price. For lots that are bid in much below the average price for the grade, the grower may use the information furnished by inspection and market news services by rejecting the bid and reselling the tobacco within the price range for the grade specified.

Inspection and market news services are intended to establish the grade of the tobacco and tell the farmer the average price established by sales of tobacco. Properly used, these services will do much to prevent losses to growers when tobacco is sold at less than its current market price.

Activities in 1945 Fiscal Year

OMS maintained inspection service for 110 out of 145 auction markets during the 1945 fiscal year (ended June 30, 1945). A total of 140 of these markets have been designated by the Secretary under the Tobacco Inspection Act. Growers tobacco inspected amounted to over 1,382 million pounds, exclusive of nearly 96 million pounds of resales, which was approximately 78 percent of the total sold at auction. Approximately 2 million pounds of hogshead tobacco were inspected for cooperative marketing associations, and approximately 7½ million pounds of tobacco were inspected under the tobacco diversion program for the manufacture of nicotine insecticides to protect crops. Inspection service was maintained in connection with the manufacture and shipping under the lend-lease program of cigarettes and native twist tobacco.

The inspection service covered all auction markets selling fire-cured, dark air-cured, and burley tobaccos, and 46 out of 76 markets selling flue-cured tobacco. Expansion of the service has been hampered by the lack of manpower, and during the last fiscal year it has been difficult to employ men with enough experience to qualify as inspectors. However, good results have been obtained by giving intensive training to men with farm experience in sorting and handling tobacco and developing them into qualified inspectors after a season or two.

The Market News Service gives to tobacco growers and the trade current average prices by United States grades and other important market information. This is particularly valuable to growers on the market where the inspection service is in operation.

Continued during the fiscal year was the program developed in 1943 (in cooperation with the Agricultural Adjustment Agency) to report current and season-to-date information on total pounds sold and the general average price by types. This daily and weekly report, of value

to the entire leaf tobacco industry, is especially important in governmental wartime planning in connection with procurement, price ceilings, and allocations.

Market news reports are supplied direct to tobacco growers on the markets, through press, radio, established mailing lists, and meetings conducted under the demonstration and educational program of the Office of Marketing Services. Distribution of reports showed an increase in the 1944-45 season despite reduced personnel and facilities. Market news service was supplied to 6 additional flue-cured, 2 dark air-cured, and 2 burley markets not served in the previous season, and a larger number of reports were prepared for radio and press.

A total of 1,026 separate issues of various market news reports were distributed. Of these, 546,529 were made direct to growers at 538 auction floors in 108 marketing centers and 12 States, for 14 tobacco types. This season there was an increase of 118 in the total number of issues prepared, 86 of them for radio and press purposes.

OMS personnel demonstrated the preparation of tobacco for market to 19,009 producers on farms and at other rural points in 1,582 demonstrations in 11 tobacco-growing States. Proper preparation of tobacco for market yields an increased financial return to growers, especially in areas where there are support prices on a grade basis or where OPA ceiling prices are established for each grade.

Farmers meetings were held at rural high schools and other country points to explain to farmers the Federal grades for tobacco and how these grades and tobacco price reports can be of advantage to farmers in tobacco marketing. Attendance at the 276 meetings held totaled 7,517.

Teachers of vocational education in rural high schools held demonstrations to give farmers' sons instruction in the preparation of tobacco for market, and distributed literature for study and reference. Attendance for the 758 demonstrations given totaled 27,878.

In addition to group demonstrations during the year, 8,155 farmers received individual instruction through farm visits by OMS demonstrators.



FLUE-CURED TOBACCO ALLOCATED

Flue-cured tobacco of the 1945 crop will be allocated to manufacturers and dealers--in general, as has been done during the past 2 years--the U. S. Department of Agriculture has announced in issuing War Food Order 4.10. Flue-cured is the principal tobacco, by volume, in most American-made cigarettes.

Effective July 19, 1945, the new order was based on the July crop estimate of flue-cured tobacco totaling 1,091 million pounds. The allocations provide that manufacturers may acquire flue-cured tobacco up to 98 percent of the quantity, including scrap, used by them for manufacturing purposes from July 1, 1944, through June 30, 1945. Their auction purchases and purchases from dealers are limited to the same proportion of total purchases as was similarly acquired from the crops of 1939 through 1942.

Dealers may purchase 1945-crop flue-cured tobacco at auction, for their own accounts, up to 95 percent of the basic quantity which they were entitled to buy from the 1944 crop under the provisions of War Food Order 4.7, amendment 4.

Indicated production (July 19) for 1945 is approximately the same as 1944 production. Domestic and export requirements, however, have increased. On the basis of the current crop estimate, 666 million pounds are allocated for domestic use and 395 million pounds for various export needs. Flue-cured tobacco is the most important American export type.

Should later crop estimates modify the July estimate, adjustments will be made in allocations to preserve an orderly market. The amounts earmarked for export will be allocated directly to the Commodity Credit Corporation and to dealers for procurement on the auction markets.

Other major provisions of the order deal with administration and management. The great majority of manufacturers and dealers have advocated the continuance of allocations this year to assure orderly and satisfactory marketing and distribution of the flue-cured crop.



NO ALLOCATION FOR 1945-CROP CIGAR TOBACCOS

Cigar tobaccos of the 1945 crop will not be allocated to manufacturers or dealers, the U. S. Department of Agriculture in mid-July announced after extensive conferences and studies with all branches of the cigar tobacco trade. While there had been some sentiment among the trade for allocation, a recent meeting of the Cigar Leaf Industry Advisory Committee did not agree that allocation was necessary.

Although future-contract purchase of these filler and binder types of cigar tobacco is prohibited, the restrictions will apply only until the crop is ready for marketing. Then it will be marketed in line with usual trade practices and without allocation.

It was not expected that failure to allocate would have any effect on the number of cigars or the price of cigars available to the average smoker.

Continuous Factory Inspection

The marketing of processed fruits and vegetables in terms of United States grades has become a reality. Under the Office of Marketing Service's program of inspection, today some 55 packers with 74 plants are qualified for the privilege of labeling their products with this distinctive inspection legend:

U. S. GRADE A

Packed Under Continuous Inspection

of the
U. S. Department of Agriculture

What does this mean? It means that the product was processed under the highest standards of cleanliness and plant housekeeping, and that a Department of Agriculture inspector on hand at the plant has observed all phases of the operation from the arrival of raw material to the warehousing of the finished product. Moreover, it means that the inspector has examined samples selected at random from every section of the warehouse stack, and certified the grade according to United States standards promulgated by the Department.

Beginnings

Continuous factory inspection was first conducted in 1939 on an experimental basis. For some time before, packers and distributors had been interested in such a service and in determining consumer acceptance of goods that the U. S. Department of Agriculture had certified as being packed under strictly sanitary conditions. Already many packers were marketing and labeling their goods in such grades as "Grade A" or "Fancy," "Grade B" or "Extra Standard" or "Choice," or "Grade C" or "Standard." It was not necessary that products marketed in this manner be Government inspected, although a Government grading service was available at a nominal fee upon request. But packers who wished to go a step farther in their merchandising by using the prefix "U. S." as well as the grades on a label, had to subject their product to continuous inspection by a USDA inspector.

The plant selected to begin this continuous factory inspection experiment was engaged in packing red sour pitted cherries. The success of that experiment resulted in the Department's approval of three other plants, which canned a variety of fruits and vegetables for the 1940 season. By 1941, many other packers were eager to get into the program, because the consumer interest in "U. S." inspected products was growing steadily. That year, the number of plants approved to operate increased to 26. Today, in spite of huge wartime inspections, the Department's

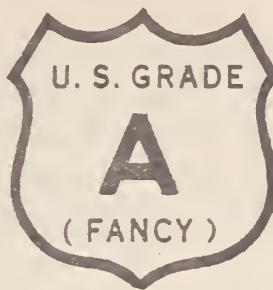
SUGGESTED EXAMPLES

U. S. GRADE LABEL STATEMENTS

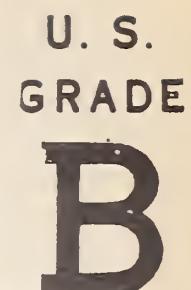


← BLUE
← WHITE
← RED

SHIELD USING RED, WHITE,
AND BLUE BACKGROUND



SHIELD WITH PLAIN
BACKGROUND



U. S.
GRADE
B
WITHOUT USE
OF SHIELD

EXACT SHAPE OF SHIELD IS INDICATED ABOVE; SIZE OF SHIELD AND STATEMENTS BASED
ON APPROXIMATE SIZES FOR NO. 2 CAN LABELS; LABEL STATEMENTS FOR
OTHER SIZES OF CONTAINERS IN PROPORTION

CONTINUOUS INSPECTION LABEL STATEMENTS



STATEMENT ENCLOSED
WITHIN A SHIELD

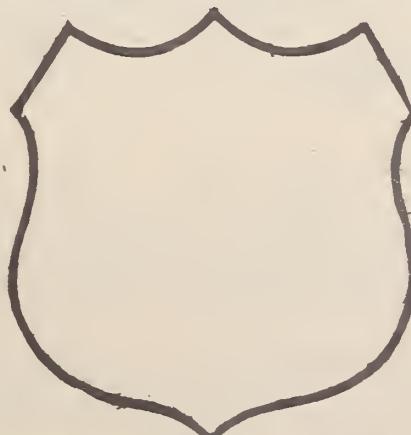
PACKED UNDER
CONTINUOUS
INSPECTION
OF THE
U. S. DEPT. OF
AGRICULTURE

PACKED BY

UNDER CONTINUOUS
INSPECTION OF THE
U. S. DEPT. OF AGRICULTURE

STATEMENTS WITHOUT THE
USE OF THE SHIELD

CONTAINER IDENTIFICATION



APPROXIMATE SIZE AND SHAPE FOR EMBOSSED SHIELD IN NO. 2 METAL CONTAINERS;
OTHER TYPES AND SIZES OF CONTAINERS IN PROPORTION

OMS is making an increasing number of inspectors available for continuous factory inspection assignments.

Approved plants are carefully selected by the Department. On request of the packer, an inspector conducts an initial plant survey to determine the qualifications and adaptability of that plant for clean, orderly, and efficient operation. Plants large and small may meet these requirements and get Department approval. The general requirement is that the plant and management be willing to create and uphold all the sanitation standards.

Requirements

The premises are carefully surveyed. Road surfaces (e. g., dust) and facilities for disposal of plant waste and sewage get particular attention. Plants must be located near the source of raw fruits and vegetables if fresh products are to be processed with the minimum of delay. The water supply must be pure for use in processing, and enough hot water for thorough plant cleanings must be available. Buildings must be built and finished to facilitate proper cleaning, and all doors and windows of the processing rooms must be screened to keep out flies, gnats, and other insects. Adequate ventilation and lighting for the workers' comfort and efficiency are required, as are properly located and sanitary toilet and wash rooms.

The packer's ability and wish to process high-quality products are carefully judged by an "inspector surveyor." If the plant does not meet required standards and the management wishes to improve the plant until it can qualify, suggestions are made on how this may be done, and another survey follows the renovations and improvements.

Upon final Department approval, the packer contracts to pay the cost of keeping an inspector on duty in his plant continuously during operations, and agrees to meet high standards of sanitation and processing. "Scrub-downs" must be made after each shift--oftener if necessary. Mechanical equipment requires constant cleaning and flushing to remove peelings, seeds, pits, and other fruit and vegetable substances that encourage bacterial contamination.

The workers also must do their part. They may not use tobacco in the processing rooms, and are urged to attend carefully to personal cleanliness and health habits. Hair coverings, neat aprons or uniforms, and rubber gloves are aids to the packer in good housekeeping.

The Department recommends the same comprehensive labeling program for these continuous inspection packers that it has been advocating for all packers for years--i. e., that the label conspicuously display for the benefit of the ultimate consumer:

- (1) The packer's brand name.
- (2) A truthful, concise statement of grade--preferably in such simple terms as "Grade A," "Grade B," and "Grade C;" or the synonymous terms of "Fancy," "Choice," and "Extra-Standard;" and "Standard."
- (3) Additional descriptive information that may be appropriate for the product, such as the number of pieces in a can of peaches, the sieve size of peas, the strength of sirup on fruit, and the number of servings.

To make his comprehensive labels even more distinctive and informative, the packer and distributor of continuously Government-inspected merchandise are encouraged to inform the trade and consuming public that their products are processed under the sanitation standards prescribed by the U. S. Department of Agriculture.

The new comprehensive labels that these processors are submitting in a constant stream for OMS approval are ingenious in design and content. The impressive use of "U. S. Grades" and the inspection legend--often in combination in an attractive red, white, and blue Government shield--verify the faith of those packers who pioneered in this type of brand fortification.



USDA CONSIDERS LIMITING GRAPE SHIPMENTS FROM CALIFORNIA

The U. S. Department of Agriculture announced late in July that consideration was being given to prohibiting shipments of juice grapes and the lower grades of table grapes from California in an effort to conserve limited transportation facilities. This action may be necessary to assure facilities for the movement of perishable agricultural commodities that can neither be stored nor diverted into other uses within California.

The Department again warned California fruit and vegetable growers that the shortage of transportation facilities for moving fresh fruits and vegetables is expected to be critical late in August and through September and October, when shipments of table and juice grapes from California usually reach their peak. The Department also urged the California grape industry to make plans to dry a maximum quantity of raisin grapes and to process within California the other types and varieties normally used for processing purposes.

SLAUGHTER CERTIFICATION ORDER

Secretary of Agriculture Clinton P. Anderson has signed War Food Order 139, effective July 16, under which nonfederally inspected slaughterers may be certified as provided in the recent amendment (Patman amendment) to the Stabilization Act of 1942.

The amendment to the act provides for release of nonfederally inspected plants that are certified by the Secretary from killing quotas or other slaughter limitations. USDA officials emphasized, however, that quotas assigned to individual plants by OPA would remain in effect until the plants have qualified and have been certified.

Conditions under which slaughtering plants may be certified are contained in WFO 139 and require that: (1) OPA price, rationing, and other regulations are being and have been observed; (2) the meat will move in legitimate trade channels within legal price ceilings; (3) the plant meets the sanitary standards prescribed in the regulations; (4) meat production will be conducted under the supervision of qualified veterinary inspectors (including inspection before and after slaughter); and (5) the plant will participate in providing for governmental agencies such meat as may be required. To facilitate administration of the order, owners and operators of certified plants are required to keep accurate records of all slaughter, distribution, and other operations.

The order, carrying out provisions of the amended Stabilization Act, is directed toward the fullest possible utilization of livestock slaughtering facilities and freer movement of meat in interstate commerce. Consequently, officials pointed out, certification will be limited to plants meeting all order requirements.

The order provides that the Director of Marketing Services of USDA may deny, suspend, terminate, or revoke certification in the absence of sanitary conditions or for failure to maintain sanitary conditions, for disposition of meat in other than legitimate channels and in accordance with law, and for violation of set-aside orders or any other war food orders concerning meat.

Violators of sanitary or inspection requirements under the order are subject to immediate suspension, although a hearing will be granted within 10 days of such action to determine whether suspension is to be vacated or made permanent. Suspension for violation of the sanitary or inspection regulations does not mean the violator is prevented from doing business on his original basis.

Slaughterers were advised by the USDA to familiarize themselves with the order provisions before applying for certification. Applications should be filed with the Livestock and Meats Branch, Office of Marketing Services, United States Department of Agriculture, Washington 25, D. C.

PORK SET-ASIDE PERCENTAGE CHANGED TO AID DISTRIBUTION

Changes in pork set-aside regulations, intended to produce a more equitable distribution of pork products from federally inspected establishments, became effective July 29. This action, included in an amendment to War Food Order 75.3, supplemented a reduction in over-all pork set-aside percentages that became effective July 22.

The amendment increases the proportion of excess slaughter which is taken under the set-aside provided slaughterers killed *more* than their production during the base period (August 1944), and it decreases the set-aside provided slaughterers killed *less* than during the base period. Prior to the amendment, the rate of the set-aside was related to the live weight of hogs slaughtered in July 1944 as compared with July 1945. The amendment establishes August 1944 as the base month.

The amendment is intended to preserve more nearly normal civilian distribution patterns and should tend to prevent meat deficits caused in some areas by changes in the volume of slaughter on the part of some federally inspected slaughterers. It is not anticipated that the new amendment will provide either more or less total meat for civilians, but distribution is expected to be more equitable.



GOVERNMENT SET-ASIDE ON LARD REDUCED

A reduction in the amount of federally inspected lard to be taken out of current production for military and other noncivilian uses, which became effective July 29 through amendment 19 to War Food Order 75.3, establishes the set-aside at 4 percent of the live weight of the hog instead of the $5\frac{1}{2}$ percent rate formerly in effect.

The reduction in the lard set-aside is expected to make available for distribution the quantity of federally inspected lard which has been scheduled under the civilian allocation for the July-September quarter. It should contribute substantially to the supplies available in areas of critical shortage.

As a result of this action about 60 million pounds of federally inspected lard will be available for civilian distribution during August, an increase of 10 million pounds over what would have been available under former set-aside requirements.

The reduced set-aside applies to federally inspected slaughterers operating in all States except the 24 that previously had been exempted from the lard set-aside under the order.

SHIPMENTS OF LAMBS TO SOME OREGON COUNTIES BANNED

To aid in the marketing and distribution of lambs produced in certain sections of Oregon, shipments of lambs into these areas from the outside--except to federally inspected slaughterers--has been prohibited by the Department of Agriculture by means of War Food Order 140, effective July 23, 1945.

The Office of Price Administration announced on July 21 that lamb of Commercial, Utility, and Cull grades would be point free in western parts of Oregon from July 23 through September 1. At the same time, it was announced that the Department of Agriculture would arrange to prohibit shipment of lambs into the area, except to federally inspected plants. WFO 140 accords with this previous announcement.

The areas affected by the order include the Oregon counties of Hood River, Clackamas, Marion, Linn, Lane, Douglas, Jackson, and the remainder of the State lying west of these counties.

Lambs produced in the affected counties are fed mostly on grass with little dry feed, and shrink heavily when shipped alive for any great distance. The order against the in-shipment of other lambs, except to the federally inspected slaughterhouses from which the Army takes its requirements, was expected to facilitate the marketing and local distribution of these "soft" lambs.



ARMY PORK SET-ASIDE REDUCED

Reductions in the percentages of pork required to be set aside for Government purchase became effective July 22 through amendment 17 to WFO 75-3.

The reductions will not result in increased civilian supplies but will make available to civilians a volume of pork products more nearly in accord with previously determined allocation. The quantities available for Army procurement are adjusted downward in view of the seasonal decline in production.

The over-all reduction of pork set-aside percentages is from the previous 26 percent to 21 percent of the live weight of animals slaughtered. Percentages of the various cuts to be set aside were changed as follows:

Shoulders:	Reduced from 10 to 7 percent.
Hams:	Reduced from 6 to 5½ percent.
Bellies:	Reduced from 4½ to 3½ percent.
Loins:	Reduced from 5½ to 5 percent.

LAMB SET-ASIDE TERMINATED

War Food Order 75.5, under which federally inspected slaughterers were required to set aside 10 percent of the three top grades of lamb, was terminated on July 22, 1945.

Originally the order, which became effective April 29, 1945, required slaughterers to set aside 25 percent of their production of the three top grades of lamb (carcasses weighing 30 to 70 pounds, dressed). This percentage was decreased by subsequent amendments. Termination came because it became possible for Government agencies to obtain enough lamb and mutton through open-market purchase.

It was expected that civilian lamb supplies would be slightly larger in some areas as a result of the action.



MEAT INVENTORY RESTRICTIONS TERMINATED

War Food Order 48, which became effective April 6, 1943, and which limited inventories of all slaughterers and meat handlers, was terminated July 11. Operation of the order had been suspended since September 1943. Because available meat supplies were moving freely into consumer channels, there was no need for inventory restrictions.



USDA REDUCES ARMY-STYLE AND KOSHER BEEF SET-ASIDES

Slightly more beef will be available for civilian distribution as the result of a reduction in set-aside for Government purchase of Army-style and kosher beef through amendment 26 to War Food Order 75.2, effective July 15.

The over-all set-aside of Army-style beef has been reduced from the current 30 percent to an average of 25 percent of the total quantity produced by federally inspected slaughterers, and the beef set-aside in kosher plants located in designated areas and States of the Northeast has been reduced from the current 25 percent to an average of 20 percent.

The set-aside of Utility, Canner, and Cutter beef remained unchanged at 65 percent.

From Nuisance to Important Crop

. . . . By G. S. Meloy

Only about 70 years ago cottonseed was a worthless byproduct and a public nuisance. Today it is an important wartime and peacetime crop. The growth of its importance during the intervening years makes an outstanding story of cooperation between the cottonseed crushing industry and Government.

Before the Civil War huge piles of cottonseed accumulated at cotton gins throughout the cotton-producing States. When these piles began to decay, they gave off highly offensive odors, and gins had to be moved to the outskirts of towns. There was no market for the seed. The piles grew. Ginners began dumping the seed into streams, to get rid of it, but the resulting pollution and clogging soon put an end to that practice--and the problem of what to do with this unwanted byproduct of the cotton crop remained.

Then someone hit on the idea of crushing the seed for oil, and by the time of the Civil War several mills for the purpose were in operation. A quarter of a century later the number of crushing plants had grown to 875--and then a recession set in.

Thereafter the crushing industry struggled along haphazardly for many years. In the spring of 1924 the industry members got together and appealed to the U. S. Department of Agriculture for help. What they asked was a thorough study of cottonseed marketing and the formulation of market grades for the product.

Department specialists went to work. They discovered, for one thing, that cottonseed differs widely in the quantity and quality of the oil and protein it contains, and that certain physical differences have a pronounced effect on milling efficiency.

Composition Varies

It was found that under normal conditions the composition of cottonseed varied; the oil content ranged from 11 to 22 percent and the possible recovery of oil ranged from 145 to 400 pounds per ton of seed. Extremes in the oil content found thus far are 5.9 percent and 25 percent, with possible yields of oil ranging from about 50 pounds to 425 pounds per ton of seed. On the other hand, the usual variations in the protein content have been found to range from 14 to 24 percent, with possible yields of 41 percent protein cake or meal of from 640 to 1,100 pounds per ton of seed. The extremes observed have been from 12 to 28 percent of protein, with yields of 41 percent protein cake or meal ranging from 550 to 1,300 pounds per ton of seed.

Also studied was the question of product quality. For example, oils from seed harvested under one set of conditions might be sweet and easily refinable into an edible oil, whereas oil from seed harvested under other conditions might be foul-smelling, excessively costly to refine, and valuable chiefly in the manufacture of soap. Contrary to earlier opinion, it was discovered that no particular section of the country produces a better or higher grade of cottonseed than any other. High-grade cottonseed may come from a field located just across the road from one producing low-grade cottonseed.

The methods for the chemical analysis of cottonseed, developed by the Department in cooperation with industrial chemists, now make it possible to determine from a sample of cottonseed how much oil and how much standard cake a cottonseed crushing mill should produce per ton of seed processed, and what the quality of the oil will be if it is produced under standard conditions of manufacture.

In 1928 the Department of Agriculture announced the development of a method of combining the principal variables in cottonseed to form a grading plan or an index of the relative values of different lots. The plan includes three indexes: (1) A quantity index, combining the average oil and protein content to form a base index; (2) a quality index in which certain tolerances of deficiencies in the physical condition of cottonseed were set up as a base index; and (3) a grade index of relative value, combining the quantity index with the quality index.

Chemical Analysis

The method of evaluating cottonseed is based on the chemical analysis of samples. An accurate and acceptable procedure was developed in 1932 when the Department was able to offer the grading system of cottonseed as one of the official standards of the United States.

Beginning with the season of 1937-38, the Department undertook the supervision of the sampling, analysis, and grading of cottonseed sold for crushing. The work is done through a licensing and inspection system. Bonded cottonseed samplers are licensed and stationed at each cooperating crushing mill. The equipment of each sampler must pass certain specified requirements, and his work is subject to frequent inspections by field men employed by the Department. Each sampler must follow an exact procedure in drawing and preparing samples, and must certify to the facts as a licensee.

Commercial analytical chemists who wish a license to analyze and certificate the grade of cottonseed must pass exacting tests before receiving a license and must maintain a high standard of accuracy to retain it. During the 1944-45 season, licensed and bonded samplers were stationed at 350 of the 380 active cottonseed crushing mills. At some of the larger mills as many as 6 samplers were available to sample all

seed promptly on arrival. About 25 chemists were licensed to analyze and certificate the grade of cottonseed, samples of which were sent to them by licensed samplers.

Last season more than 157,000 shipments of cottonseed were sampled and certificated as to grade according to the United States standards. It is estimated that these samples represented nearly 4 million tons of cottonseed. The bulk of the movement of cottonseed occurs from September through January, but in spite of this load of analytical work less than 75 errors were discovered.

During World War II, the demand for cottonseed oil has exceeded the supply, and the development of ways to distribute available supplies most effectively has been a pressing problem. Two War Food Orders deal in part with cottonseed oil. War Food Order 29 apportions the use, making available the proper kind and quality of oil required for military, lend-lease, and commercial export to friendly nations, and supplying the more desirable oil to manufacturers. War Food Order 42 determines how much cottonseed oil may be used in manufacturing. Both orders have been in effect since before July 1, 1943, and have been amended as conditions warranted.

Although the supply of cottonseed in 1945 will not equal the demand, increased production (as reported May 31) over 1944 is indicated by the following increases during the year in cottonseed products: Cottonseed oil, 1,241,671,000 pounds, up from 1,195,471,000 pounds; cottonseed cake, 1,837,396 tons, up from 1,775,116 tons; cotton linters, 1,171,355 bales (620-pound average) of cotton linters, up from 1,142,217 bales; and 927,423 tons of hulls, up from 894,911 tons.

Uses

Edible cottonseed oil is used chiefly in the manufacture of margarine, salad oils, shortening, and cooking oils. Refined cottonseed oil, either as oil or in the form of hydrogenated fat, is sometimes added to lard when that product is intended for use in unusually cold or hot areas, to maintain proper consistency and to retard rancidity. Hydrogenated cottonseed oil is even incorporated with butter for use in the tropics. Because it does not retain odors or tastes, it is particularly good as a cooking oil in large-scale deep-fat kitchen frying. The inedible parts of the oil are used industrially in the manufacture of soap and other products.

Cottonseed cake and meal form one of the most valuable protein concentrates for animal feeding. For range feeding the cake is simply broken to a size suitable for feeding the particular type of animal. For mixed-feed purposes the cake is ground into meal. Recent improvements in the manufacture of cottonseed cake have made considerable quantities of cottonseed flour available for human consumption. This is

especially valuable in hospital dietary cooking. Small quantities of cottonseed flour when added to wheat flour are said to increase greatly the nutritive value of wheat flour. Experiments are being conducted to determine the possibilities of utilizing cottonseed protein in industry.

Before cottonseed can be successfully crushed, the residue of fiber left on the seed after ginning must be removed. This product is known as cotton linters. In peacetime, some grades of linters are used as felts in mattresses, as absorbent cotton, and as surgical pads, battings and the like. Other grades known as chemical grades are used as a source of alpha cellulose for the manufacture of rayon, smokeless powder, and plastics.

In wartime, military uses may require the entire output of linters. During World War I, little was known about either the composition or manufacturing processes. So when the War Industries Board called for the entire output of the crushing mills, it was discovered that only about 75 percent of what was produced could be used.

In 1926 the Department of Agriculture established seven standard grades for American cotton linters. Use of these standard grades makes it possible for the mills to produce linters of such high quality that over 99 percent of the output of the season of 1942-43 was used for defense purposes. In World War I the only use made of linters was in the manufacture of smokeless powder; in World War II linters have gone into the manufacture of a great number of war articles (e. g., high-tenacity rayon for parachutes, plastics, tires for trucks and airplanes).

Cottonseed hulls are used as roughage in animal feed, in the manufacture of synthetic rubber, in "floor sweep" preparations to keep dust down during floor sweeping, and--with cottonseed meal--in the manufacture of synthetic pepper and spices.



HAKE, POLLOCK, AND CUSK REMOVED FROM SET-ASIDE

The 100 percent set-aside restriction on canned fish flakes produced from hake, pollock, and cusk has been removed by the U. S. Department of Agriculture through amendment 11 to War Food Order 44, effective July 27, 1945.

The action will mean only a slight increase in canned fish available to civilians. Fish flakes produced from the three species named, as well as from cod and haddock, have been under the 100 percent set-aside restriction since May 20.

SPRAY-DRIED MILK SET-ASIDE REDUCED

Set-aside quotas for spray-process nonfat dry milk solids are 70 percent of August production and 60 percent of September production, USDA has announced. The set-aside for Government purchase in July is 75 percent of the production.

Officials said that the reduced August and September set-asides carry out USDA policy of adjusting quotas on a basis of monthly changes in production, so as to provide fairly even monthly supplies for civilian use. According to current estimates, nearly 10 million pounds of spray powder would be available for civilians in both August and September. This is about the same quantity that has been available each month recently.

The August and September set-aside quota last year was 60 percent of production for both months. Because production for these 2 months this year is expected to be considerably greater, civilian supplies will be at least as great as for August and September last year.



PAYMENTS TO FLUID MILK HANDLERS CONTINUED

Continuation of its programs for stabilizing retail prices through payments to fluid milk handlers has been announced by the U. S. Department of Agriculture.

Fluid milk payment programs, begun in April 1943 and today in operation in 13 areas, enable milk handlers to pay higher prices to producers without exceeding their retail ceiling prices for milk. Higher prices to producers were necessary to assure production of adequate milk supplies in the face of increased farm wages and other rising costs.

Payments under the programs are made by the Commodity Credit Corporation and are applicable to fluid or Class I milk. The areas in which the programs are operative are Arlington-Alexandria, Va.; Baltimore, Md., Fort Wayne, Ind.; New York, N. Y.; Omaha, Neb.-Council Bluffs, Iowa; and six areas--including Philadelphia--in Pennsylvania.



CHEESE SET-ASIDE REDUCED

Set-aside quotas for Cheddar cheese will be 60 percent of August production and 50 percent of September production as compared with the 65 percent set-aside for July.

Rice Market Reports

... .By George A. Collier

Before 1928, U. S. rice growers needed a remedy for the inequality that existed between them and the men who milled their rice. Growers sold their crops with little knowledge of the market value and what was a fair price. This situation gave them little incentive to go on growing rice, even though in some parts of the country--particularly the South--rice is as much a food staple as are bread and potatoes. So the growers, through the American Rice Growers Cooperative Association at Lake Charles, La., went to the U. S. Department of Agriculture with their problems.

That was in the summer of 1928. On August 28 of that summer there emerged a solution satisfactory to all--an unpretentious 300-word information sheet called the "Rice Market Review." The first publication of its kind anywhere, its over-all aim was to place rice growers on a fair competitive basis with rice millers in their access to current and continuing information on the market value of the rice grown.

Price of Milled Rice Reported

To achieve this aim, the price of milled rice was reported. With that as a basis, it was easy for growers to calculate the value of the rough rice they sold for milling. This first report in addition appraised the current rice market and briefly analyzed the 1927-28 market.

The early releases were distributed by the American Rice Growers Cooperative to its members. Carbon copies were distributed from Washington to a small local mailing list and to the field offices at Minneapolis, Kansas City, and Chicago. Information from which the review was prepared came from market correspondents at Lake Charles, New York, Kansas City, Minneapolis, and Chicago.

The Rice Market News Service expanded. Arrangements were made with the Bureau of Foreign and Domestic Commerce to obtain weekly export figures on rice, beginning in September 1928. The information was collected from representatives of that agency at the principal exporting markets including New Orleans, Galveston, San Francisco, and New York.

Before long, growers and the rice industry began to want current information about the destination of rice exports. To obtain this, a reporter was appointed to send from New Orleans to Washington each week a written report on the rice shipments from New Orleans by countries of destination. The Houston (Tex.) Chamber of Commerce also sent in a report on the destination of rice shipped from the port of Houston.

The rice report was mimeographed for the first time in Washington on August 6, 1929, and was made available to all rice growers. To obtain a better coverage of both rough and milled rice, market news reporters were added at Stuttgart, Ark.; Jacksonville, Fla.; New Orleans, Crowley, and Lake Charles, La.; Charleston, S. C., and Houston, Tex. The weekly reviews increased in length until at the close of 1929 they contained 500 to 800 words, or twice the wordage of the original report.

Early in 1930 a report on the California situation was included in the weekly review, and shortly thereafter arrangements were made to issue the review from the San Francisco market news office in order that California rice growers might have a service similar to that available to southern growers.

Lack Supplied

Although the prices and other current market information contained in the early issues of the Weekly Rice Market Review were helpful to rice growers, it soon became apparent that more information on market supplies and the distribution of milled rice was needed. This lack was supplied with the help of the rice milling industry by means of monthly statistical reports from all rice mills. In these monthly statements mills reported the quantity of rough rice received each month, the quantity milled, the quantity of each type of milled rice produced, and the quantity of milled rice shipped or distributed during the month.

The reports on the quantity of rough rice received by the mills and milled each month gave a good measure of the market movement and utilization of the crop, and they showed rice growers and the rice industry how rapidly the season's supplies were being used. The statistics on the production and shipment of milled rice gave dealers and consumers timely information about market supplies and the rate at which they were passing into consuming channels.

The monthly statistics were also used quite effectively by governmental agencies in the formulation of policies and procedure for wartime controls of the production and distribution of United States rice. All branches of the industry also now make extensive use of the material.

With authentic statistics on the market supply of rice and its distribution, it was possible to broaden the scope of the weekly rice market reviews by including information useful to farmers in planning their production and marketing programs, and to consumers in deciding which foods were the most plentiful.

Rice growers have indicated that the Rice Market News Service is widely used and very valuable to them. The Review is now furnished each week to rice growers in Arkansas, Louisiana, Texas, and California, and to the rice industry as a whole.

POULTRY CANNING ORDER PARTLY SUSPENDED

Suspension until October 1, 1945, of canning operations for the Government under WFO 125, as amended (the poultry canning order) became effective August 1. The suspension permits the Nation's canning facilities to be used during the intervening period for the preparation of canned chicken and canned chicken products for civilian use.

Canners had operated under WFO 125 since February 14, 1945, when a requirement of 70 million pounds of canned poultry for the armed forces was announced. Production under the order had been better than expected, it was stated, and the supply of canned chicken thus exceeded governmental needs for the few weeks just ahead.

Set-aside provisions of the order pertaining to processed and canned poultry produced before the suspension were left in effect.

Although the supply of poultry suitable for products wanted by the U. S. armed forces was very scarce, other grades and classes suitable for canning were said to be available. Temporary suspension of the order would make it possible for canners to produce such products as chicken soup, chicken a la king, and chicken with noodles for civilian use.

Because the armed forces were expected to require additional canned chicken, the order was expected to go back into effect next October 1, when there will be sufficient poultry for continuous operation of the canning plants.



SUSPENSION OF WALNUT MARKETING-AGREEMENT PROGRAM CONTINUED

The marketing-agreement and order program regulating the handling of walnuts grown in California, Oregon, and Washington will continue in suspension for another year from August 1, 1945, to July 31, 1946, the U. S. Department of Agriculture has announced.

Suspension of the program was continued, marketing officials of the U. S. Department of Agriculture explained, because similar conditions are expected to prevail this year as in October 1943, when the first suspension ruling was issued. At that time prices to growers for walnuts reflected slightly more than parity, and they are expected to do so during the coming season. Under existing laws, a marketing-agreement and order program such as the one on walnuts cannot be operated when prices exceed parity.

War Food Order 82, which requires packers to set aside a certain percentage of their merchantable walnuts for shelling, is expected to continue in effect.

ABOUT MARKETING:

The following reports and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach, and mail to the Office of Marketing Services, U. S. Department of Agriculture, Washington 25, D. C.

Address:

Food Today, by Clinton P. Anderson, Secretary of Agriculture, over American Broadcasting Company Network. July 16, 1945. 7 pp. (Mimeo-graphed.)

Reports:

What Peace Can Mean to American Farmers. MP 562. (United States Department of Agriculture) May 1945. 28 pp. (Printed.)

Agricultural Cooperatives in the Postwar Period. (United States Department of Agriculture) July 1945. 41 pp. (Multilithed.)

Wheat Production in War and Peace. (Bureau of Agricultural Economics) May 1945. 43 pp. (Multilithed.)

Carlot Shipments of Fruits and Vegetables by Commodities, States, and Months. June 1945. 34 pp. (Mimeo graphed.)

Relationships of Cotton Fiber Properties to Strength and Elongation of Tire Cord. Preliminary Report. June 1945. 59 pp. (Multilithed.)

Farm Population Estimates, January 1945. (Bureau of Agricultural Economics) July 1945. 7 pp. (Mimeo graphed.)

Grading Wool. FB 1805. Revised April 1945. 24 pp. (Printed.)

Outline of Suggested Specifications for Purchasing Processed Fruits and Vegetables. MP 565. May 1945. 18 pp. (Printed.)

Agricultural Marketing Agreement and Order Programs, 1933-1944. June 1945. 29 pp. (Mimeo graphed.)

U. S. Standards for Bunched Carrots. (Effective July 15, 1945) 5 pp. (Mimeo graphed.)

U. S. Standards for Topped Carrots. (Effective July 15, 1945) 4 pp. (Mimeo graphed.)

U. S. Standards for Carrots With Short-Trimmed Tops. (Effective July 15, 1945) 4 pp. (Mimeo graphed.)